

Amendment No. 1 to SB2802

**Henry
Signature of Sponsor**

FILED

Date _____

Time _____

Clerk _____

Comm. Amdt. _____

AMEND Senate Bill No. 2802*

House Bill No. 3186

by deleting SECTION 1, § 67-1-114(a)(13)(B), and by substituting instead the following:

(B) Must be the direct recipient of a small business innovation research program (SBIR) grant in excess of five hundred thousand dollars (\$500,000), issued by an agency of the United States government acting pursuant to the Small Business Innovation Development Act of 1982, as amended.

AND FURTHER AMEND by deleting SECTION 1, § 67-1-114(a)(15), and by substituting instead the following:

(15) "Taxpayer" means a corporation or other business entity that engages in business activity in Tennessee and is liable for payment of franchise and excise taxes imposed pursuant to title 67, chapter 4, as a direct result of such business activity.

AND FURTHER AMEND by deleting SECTION 1, § 67-1-114(b), (c) and (d), and by substituting instead the following:

(b) A job tax credit of two thousand dollars (\$2,000) for each net new full-time employee job shall be allowed against a taxpayer's franchise and/or excise tax liability for that year; provided:

(1) The taxpayer owns a qualified research and development project that meets the requirements set forth in subdivision (a)(13);

(2) The taxpayer's qualified research and development project also meets the requirements set forth in subdivision (a)(6) for eligible investment projects;

(3) The job is created within the taxpayer's qualified research and development project;

(4) The job filled is for a position newly created in Tennessee, and, for at least ninety (90) days prior to being filled by the taxpayer, did not exist in Tennessee as a job position of the taxpayer or any other business entity;

(5) The job position is filled during the tax year and is in existence at the end of the tax year; and

(6) The credit shall first apply in the tax year in which the qualified research and development project increases net full-time employment and in those subsequent tax years in which further net increases occur above the level of employment established when the credit was last taken.

The commissioner of revenue is authorized to conduct audits or require the filing of additional information necessary to substantiate that the taxpayer has met the requirements of this act and is entitled to the job tax credit.

AND FURTHER AMEND by deleting SECTION 5 of the printed bill and all language thereafter and by substituting instead the following:

SECTION 5. This act shall take effect January 1, 2007.